

Annex A.

ECONOMIC COUNTERMEASURES FOR BERLIN SITUATION:

TRANSPORT AND COMMUNICATIONS

I. Measure

II. Proposed Effect

III. Priority and Timing

IV. Preliminary Evaluation

A. Air

1. Recision of overflight and landing rights for Soviet and satellite air-carriers in Western European nations

- (a) To disrupt the pursuit of vital commercial interests, including opportunities for evasion of Western export controls and outright smuggling;
- (b) To hamper Bloc intelligence and propaganda operations, including procurement of news used by satellite radio stations the same day;
- (c) To derive diplomatic advantages from the psychological effect of loss of a coveted privilege by satellite(s) because of Western response to Soviet moves.

Lends itself to most immediate imposition of all transport countermeasures

Some Western European states might be prepared to take prompt unilateral action to enforce this measure. If its applicability in the Berlin situation could be discussed in advance, e.g. in COCOM, several states might proceed on a multi-partite basis, being thus assured of simultaneity of control imposition and some provision for mutual support. Broader aerial transport controls could also be initiated through general or functional international organizations, particularly in view of the quasi-judicial powers contained in the ICAO agreements. But it appears doubtful that non-COCOM members of ICAO would countenance vigorous anti-Bloc action, and resultant dissension within such an international body might injure other vital Western interests.

The Soviet and satellite "war of nerves", which is being conducted continually against Western aircraft, may be in part an effort to forestall any adverse Western rearrangements in European air traffic. Recent Soviet measures have taken the form of interference with US, UK, and French commercial aircraft over Soviet-Zone corridors, and the harassment of Belgian commercial aircraft on routine scheduled flight over Czech territory. An example of the type of action which the Bloc does not wish to see repeated or extended is the denial by the US and UK to the Czech CSA, on 10 September 1951, of the right to overfly Western Germany. France supported, and the Netherlands and Belgium concurred in, this move in retaliation against Czech treatment of Western nationals.

DOC Exempt Letter On File

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Sheet 2

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
A. Air (Continued from Sheet 1)			
1. Recision of overflight and landing rights for Soviet and satellite air-carriers in Western European nations (Continued from Sheet 1)			(Continued from Sheet 1) The intelligence value to the Bloc of flights outside the orbit was indicated by the requirement for all Czech commercial pilots employed in 1951 to take special intelligence training. A State Department Outgoing Telegram, dated 5 December 1951, stated: "Since 1947, it is increasingly apparent that USSR and satellite civil aviation operates primarily for reasons other than normal commercial motives * * *." If access to West Berlin again is limited to an airlift, imposition of this measure may cause a far-reaching Bloc counter-effort to effect denial of the airlift operation. On general grounds this measure might bring war appreciably nearer, although outright provocation can be avoided if innocent violation at the time of imposition of controls would not result in Western seizure of violating Bloc-controlled craft.

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B. Ocean Shipping

1. Application of US Transportation Order(s) to East Berlin and the BER (with possible extension to the entire Soviet Bloc in Europe)

- (a) To undermine the Soviet supply position in Germany and, by extending the coverage of controls, to deny a larger supply potential to the entire Bloc in Europe
- (b) To implement for American carriers such additional trade restrictions as may be imposed by the US as countermeasures for the Berlin situation
- (c) To set a standard for action which would place the US in an advantageous position in negotiating with other Western powers for supporting measures

Upon the finding of a situation within the scope of Section 101 of the Defense Production Act of 1950, as extended, an expanded T-2 order could be issued by ordinary administrative procedure. But in view of the complex involvement of American commercial interests in Europe, there would be some delay until the exact applicability of a new T-2 order (and its required scope) could be adequately explored.

The T-1 and T-2 orders now in effect prohibit, respectively, the carriage of goods in violation of established export controls and the movement of American carriers to Communist China. These US regulations were issued several months after the outbreak of hostilities in Korea and were directed against the principal ally of the North Koreans. The blocking of US assets of the governments and residents of Communist China and (North Korea) was undertaken simultaneously with the issuance of the T-2 order. No other Western states have issued regulations which equal in coverage, severity, or effectiveness the US controls for the Far Eastern trade. Intelligence reports continue to indicate inadequate enforcement of such vital Far Eastern controls as some of the other cooperating powers have formally adopted.

In relation to the Berlin situation, these prohibitions would seem to have practical value only if applied at least to all DDR territory. The question whether it would be practicable to apply additional transportation orders, and related

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B. Ocean Shipping (Continued from Sheet 3)

1. Application of US Transportation Order(s) to East Berlin and the DDR (with possible extension to the entire Soviet Bloc in Europe)
(Continued from Sheet 3)

(Continued from Sheet 3)

foreign-asset controls and customs regulations, to the other satellites or the USSR in the course of countermeasures - a step which was not taken with respect to the Far Eastern controls - must be resolved in the realm of over-all controls on trade and financial relations with the Bloc, which exceeds the scope of this evaluation.

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B. Ocean Shipping

2. Increased controls on bareboat, time, and voyage charters for the benefit of the Soviet Bloc
- | | |
|-----|--|
| (a) | To support the effectiveness of restrictions on the sale of ships to the Soviet Bloc; |
| (b) | To render functional support to Western restrictions on the carriage of controlled items (or of uncontrolled items in strategically significant quantities) to prohibited (or undesirable) destinations; |
| (c) | To lend emphasis to existing and further controls on the repair and overhaul of Bloc-controlled vessels. |

This is perhaps the most controversial measure suggested in the entire report. No time should be lost in pushing to the limit negotiations for international agreement on the tightening of these controls. But on the basis of COCOM experience to date, an increase in formal controls is not likely to be achieved in short order and real enforcement of such measures may be still further off.

As shown above, the basic position of the other Western powers in regard to the intent of this measure may be gathered from the fact that the latter have not adopted the kind of Transportation Orders enforced by the US, as pointed out above. According to the EIC report, on "Status and Effectiveness of Trade Controls Against Communist China", dated 17 April 1952 (Secret), "Chartering controls and destination controls over non-Communist flag vessels, and controls over cargoes that may be carried to the Soviet Bloc are not extensively applied. Only the US formally controls (and in practice prohibits) chartering of US documented ships for trade with the Soviet Bloc (Costa Rica adopted similar controls very recently); only the US exercises controls over cargoes that can be carried by its flag vessels to the Bloc; and only three countries (Panama, Costa Rica, and Honduras) have regulations similar to the US prohibition of flag vessels calling at Chinese Communist ports. The latter are the only countries which have taken direct shipping

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I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
<p>B. <u>Ocean Shipping</u> (Continued from Sheet 5)</p> <p>2. Increased controls on bareboat, time, and voyage charters for the benefit of the Soviet Bloc (Continued from Sheet 5)</p>	-----	-----	<p>(Continued from Sheet 5)</p> <p>control measures to deny the availability of shipping tonnage for trade with Communist China. Although over three quarters of Panamanian vessels engaged in the trade withdrew after the Panamanian decree, a number of vessels under that flag have remained in Chinese Communist coastal waters where Panamanian representatives have been unable or unwilling to seize their registry papers" (pp. 10-11).</p> <p>As regards the sale of ships to the Bloc, warships, tankers, floating docks, and ice breakers over 2,000 horsepower are on I/L I. Merchant vessels (except tankers), dredges, and ice breakers under 2,000 horsepower are on I/L II. US export controls are generally stricter, however, and the UK has placed all I/L II items on the China Prohibited List. Based on 1951 figures, comprehensive Western controls on charters of benefit to the Soviet Bloc might have denied the Bloc the goods-transport potential of 13 million tons of shipping in the past year.</p>

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I. <u>Measure</u>	II. <u>Proposed Effect</u>	III. <u>Priority and Timing</u>	IV. <u>Preliminary Evaluation</u>
B. Ocean Shipping 3. Disruption of Polish tanker-procurement and charter program	Deny certain (refined) POL supplies essential to the Soviet positions in East Germany and adjoining satellite territory	This measure should complement the denial of oil shipments by rail from Zistersdorf, Austria, to East Germany (see C. Inland Waterway, Rail and Highway Traffic (3), below). In its very nature this measure could become effective immediately if charter or purchase deals are known to be in progress when decision of application is taken. Otherwise this measure would have chiefly long-range significance and, in the short term, it would be confined to such interference with operations of present Polish tanker fleet as can be effected through denial of Western maintenance and repair services.	Intelligence reports indicate that the Polish tanker-procurement and charter program, particularly in its recent manifestations, is no longer predominantly concerned with the carriage of aircraft fuel to the Far East and the refueling of Bloc vessels in the trade with the Far East, but there appears to be a strong effort to increase the flow of POL to Poland and other European satellites from major producing areas. Agents in major non-Bloc shipping centers have been instrumental not only in tanker deals, as such, but also in bringing together crude-oil producers and prospective satellite consumers for elaborate reciprocal financing schemes of the tanker purchases and the underwriting and material support (procurement of pipeline equipment, pumps) of an expanded oil production effort.

<u>I. Measure</u>	<u>II. Proposed Effect</u>	<u>III. Priority and Timing</u>	<u>IV. Preliminary Evaluation</u>
<u>B. Ocean Shipping</u>			
4. Disruption of DDR trawler-procurement program	(a) To interfere with the DDR plan to establish a fishing fleet, with tonnage which is susceptible of numerous important war uses (minesweeping, etc.); (b) To forestall augmentation of the DDR fishing capacity to a point where the DDR might no longer be dependent on West German shipments of fish.	This restrictive measure has actually been in effect for some time (cf. reports of Amlegation Reykjavik and HICOG on the attempted sale of Icelandic trawlers to the DDR). The present suggestion reemphasizes the importance of preventing such sales and envisages closest surveillance of all DDR ship-procurement attempts and possible resort to preemptive buying to prevent closure of deals.	This might be another useful tactical move to obviate DDR attempts to solve economic problems by their own direct measures, and to acquire vessels which would increase the war potential of the Bloc in Europe (see also C. Ocean Shipping (11), below). It might incidentally increase to some extent DDR dependence on satellite supplies of staple foods.

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B. Ocean Shipping

5. Imposition of bunker controls in addition to those in effect for Far Eastern traffic

Denial of bunkering facilities and provisions of ships' stores and supplies, to vessels serving the DDR, and possibly the Soviet Bloc generally

Except in case of outright war or large-scale international police action, bunker controls probably would have to rest upon voluntary agreements between governments and oil companies, as now in effect for US and UK-controlled bunkering stations in the Far Eastern traffic (see column IV). Consummation of such voluntary agreements might not meet with long delay since major world oil companies are relatively few in number and in many ways are in continuous touch with their respective governments (strategic national interests). Time necessary to effect this measure should be judged chiefly on speed with which governments issue to the oil companies the call for further voluntary agreements.

The EIC Report on "Status and Effectiveness of Trade Controls Against Communist China", dated 17 April 1952 (Secret), outlined the status of international bunker controls as follows: "Although petroleum products are on I/L I, no country has taken formal action to abrogate the international agreement on minimum bunkering to enable a vessel to reach the next port. On

25X1X7

25X1X7

US oil companies in the Far East, on the advice of the US Government, voluntarily observe a highly restrictive policy on bunkering of ships (both Soviet Bloc and non-Soviet Bloc) involved in objectionable movement of cargoes to Chinese Communist areas. Bunkers are refused Soviet Bloc vessels proceeding

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3. <u>Ocean Shipping</u> (Continued from Sheet 9)			(Continued from Sheet 9)
5. Imposition of bunker controls in addition to those in effect for Far Eastern traffic (Continued from Sheet 9)			<p>to or returning from ports in Communist China and North Korea (as well as Dairen and Vladivostok)" (pp. 9-10). There was an attempt to formalize US bunker controls for the Far East beyond the Foreign Assets Control provisions of the Trading with the Enemy Act (ACEF action, 9 January 1952, on OC Document No. 798), but no further regulations have been issued. Recent COCOM experience indicates that most PC's would entertain, on a multipartite basis, the possibility of further controls on bunkering and ships' supplies for Bloc-controlled vessels only if a state of affairs were recognized, preferably in the UN, with respect to Berlin similar to that which led to the imposition of controls on trade with North Korea and Communist China. In wartime, most of the problems incident to bunker controls are resolved through priorities established by ship-warrant and navicert legislation.</p>

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
B. <u>Ocean Shipping</u>			
6. Further restrictions on the repair and overhaul of vessels serving the Bloc	(a) To deny the Bloc the advantage of secure maritime communications by proper maintenance of vessels operating in Western-controlled waters; (b) To place on satellite and Soviet shipyards an increased burden and to cause diversion from their concentration on the construction of naval units.	Restrictions on ship repairs and conversions for Bloc account in Western yards are not new in the plethora of COMCON controls. Attempts to tighten these controls further might require considerable negotiation, stressing the counter-measure aspect.	To date, COMCON controls on ship repairs and conversions have been restricted chiefly to embargo and restricted-list measures on the movement in trade of controlled items for installation in Bloc-controlled vessels. The UK Foreign Office recently stated that it would be "inappropriate" to interfere in the repair of Soviet Bloc vessels in British yards "except under conditions of economic warfare", since UK is bound by international conventions covering such matters, subject only to the COMCON restrictions on supply of strategic materials to the Soviet bloc. Early this year, the Polish legation in Copenhagen was reported to have asked a Danish shipyard whether the following work could be undertaken in 1952: (1) the repair of 9 Polish vessels with an aggregate of 19,784 GRT, requiring an approximate labor-time total of 218,000 man-hours; (2) the rebuilding of 2 smaller wrecks; and (3) to make ready three hulls lying in Gdansk harbor which were to be Suizner motorships.

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B. <u>Ocean Shipping</u> (Continued from Sheet 11)			
6. Further restrictions on the repair and overhaul of vessels serving the Bloc (Continued from Sheet 11)			Western shipyards repair an estimated annual total of 150-200,000 GRT of Soviet Bloc vessels. Increased denial of Western repair facilities would not only further disrupt the naval construction program of the Soviet Bloc (see column II), but it would also delay the Five-Year Plan for augmentation of the Soviet merchant marine by compelling diversion of essential construction materials to repair purposes. For many of these repairs, the Bloc actually lacks facilities. For real impact, further repair and overhaul controls should be supplemented with more effective sales and charter controls. (For a special case, see C. Ocean Shipping (7), below).
7. Seizure of former German vessels, salvaged and/or taken over by the Soviets and being repaired or refitted in Western European yards for Soviet account	(a) To provide a very real boost to expansion plans for the West German merchant marine; (b) To exploit for the West the propaganda value of "returning German ships for use to fill German needs"; (Continued on Sheet 13)	This measure could be handled separately from general restrictions on repairs for the Bloc since it is specifically applicable to the German situation. The formal aspects of title transfers and arrangements for accounting could be completed (Continued on Sheet 13)	It may be rather late to institute such a measure for maximum effectiveness since major repair projects on larger former German vessels have been reported completed or nearing completion. In the Spring (Continued on Sheet 13)

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
B. Ocean Shipping (Continued from Sheet 12)			
7. Seizure of former German vessels, salvaged and/or taken over by the Soviets and being repaired or refitted in Western European yards for Soviet account (Continued from Sheet 12)	(Continued from Sheet 12) (c) To hold in escrow profits from the operation of these ships pending an all-German settlement, emphasizing by still another move Western determination to achieve such a settlement.	(Continued from Sheet 12) in a comparatively short time. The act of seizure might be based on an extension of the law of angary. But negotiations with the powers in whose yards the former German units are now located would involve such delicate considerations and guarantees that ultimate timing might have to depend on circumstances or, at best, larger political (and military) decisions of the moment.	(Continued from Sheet 12) of 1951 two ex-German 22,000 ton vessels were salvaged and sent for a complete overhaul to a Belgian shipyard. These overhauls resulted not only in significant additions to the Soviet merchant fleet, but also anticipated specialized wartime uses (troopships, etc.) either by virtue of original design or adaptability provided for in the reconversion and repair plans. Intelligence is available on some smaller former German vessels which are now being repaired for Bloc account in Western yards.
8. Promote refusals by workers in all Western European cargo transport and forwarding trades to service vessels, or handle Bloc-bound cargoes.	(a) To disrupt the flow of supplies to the Bloc; (b) Propaganda value of the people in the West taking such action themselves against the Soviet pressures would be invaluable and impossible for the Soviets to ignore and refute.	Recent reports on the status of militant anti-communist labor organizations in Western Europe indicate that these measures could become effective within a relatively short period of time, modified only by the time required for dispatch of union directives, the alacrity of local union officials in responding to head-quarter directives, and reassurance to cooperating workers of opportunities for compensatory employment or other provisions for basic necessities in the event of loss of earnings.	Although there has been considerable publicity since World War II on disturbances in the transport field, which were successfully inspired by Communist elements in Western European countries, recent intelligence indicates that decisive Western foreign-political moves would find a receptive audience in labor circles. The principal ground work to make this measure effective would be to prove "to the last dock worker" that

(Continued on Sheet 14)

I. Measure

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B. Ocean Shipping (Continued from Sheet 13)

8. Promote refusal by workers in all Western European cargo transport and forwarding trades to service vessels, or handle Bloc-bound cargoes. (Continued from Sheet 13)

(Continued from Sheet 13)

he has a stake to defend in the Western cause and that his contribution, within the framework of union-wide action, might be essential. If this measure can find application in all major Western European ports and on principal canal routes (e.g., Kiel Canal), it would deal the Soviet prestige and economy a decisive blow without involving Western governments in direct responsibility for these actions.

9. Denial of (Western European) free port facilities to the Soviet Bloc

- (a) To deny the use of "official" and "unofficial" Western European free ports for transshipments to the Soviet Bloc;
(b) To eliminate the basis on which certain Western European forwarding firms render service to the Bloc in the circumvention of export controls particularly for strategic commodities.

This measure would coordinate on an international basis unilateral actions for the tightening of current Western free port controls, as those undertaken in Hamburg in the late fall of 1951 and those now under consideration in Belgium. For some COCOM members, however, transit trade is the very life blood of their economy, which will prevent the realization of multipartite action within the near future. On a piecemeal basis some further tightening of port and transit trade controls can be accomplished, but timing will depend on the basic attitude of the governments and on their respective legislative processes

The preliminary report of the Transit Free Port Study Group (EDAC), dated 24 March 1952 (Secret), reviewed the problem of transit trade in strategic commodities, bound for the Soviet Bloc through the free ports of Antwerp, Rotterdam, and Hamburg, to determine an appropriate course of action for persuading Western European countries to establish more stringent controls. A final report is now in preparation. Intelligence reports point up the interrelationship of controls on transit trade through Western European free ports with all transport measures.

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1. Ocean Shipping

10. Closing of International waterways to Soviet Bloc vessels.

- (a) to disrupt the procurement of goods by the Soviet Bloc through denial of routes essential to the economical (maximum) operation of vessels serving the Soviet Bloc.
- (b) to reduce the problem of surveillance of Bloc vessel movements and enhance the security of installations controlled by Western powers.

The US Government does not restrict the use of the Panama Canal for Soviet vessels at the present time. But in the administration of US transit-trade controls for goods destined to the Soviet Bloc, Communist China, Hong Kong, and Macao, the canal is considered to be US territory. Each of the other international waterways also presents a special case for the study of which, some "precedents" are available; Egypt's action with respect to Israel-bound vessels transiting the Suez Canal; UK affirmation of the international status of the Kiel Canal as a basis for checking crew and passenger lists of transiting vessels, and the violations of the Montreux Convention for the Straits during and after World War II. The Collective Measures Committee Working Group (CMCWG) is now conducting a study of multilateral conventions, and of escape clauses which might be used as the basis for independent unilateral measures (or e.g., for non-cooperation of certain signatories with general Western countermeasures).

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
B. <u>Ocean Shipping</u>			
11. Curtailment of Soviet fishing in the North Sea and Atlantic areas.	(a) to harass the Soviet effort of the procurement of food supplies normally available to all powers on the high seas in time of peace. (b) to interdict suspicious movements of smaller Soviet vessels, the military purpose of which might be accentuated in time of further rift over the Berlin situation.	Although a careful estimate of the likely repercussions of this measure must precede its imposition, it could become effective as soon as its enforcement is announced by the principal Western maritime powers.	There has been a recent incident where a British trawler was impounded, allegedly for fishing inside Soviet territorial waters. But apparently such seizures are not frequent and imposition of this counter-measure could not readily await another pro forma incident of this type. Intelligence reports indicate that the Soviets operate a large-scale deep sea fishing plan, with assistance of special tenders and bases, susceptible of uses other than fishing. A large number of craft participating in this plan often is assigned the task of reconnoitering waters as well as coasts. A warship sometimes accompanies these fishing trawlers on longer journeys. Non-professional fishermen have been observed on board of these fishing craft and some of the units, even after considerable time at sea, did not show wear in the usual places of their fishing gear. It is assumed that some of these sailings and cruises may be connected with the training of naval personnel in order to give them knowledge of the waters and coasts.

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
C. <u>Inland Waterway, Rail and Highway Traffic</u>			
1. Closing of the lower Elbe River for use by vessels and barges trading with Soviet Bloc.	(a) to deny particularly to Czechoslovakia the use of the Elbe River for the carriage of goods from and to Hamburg. (b) to reinforce transit trade controls in effect for the Free Port of Hamburg.	This measure could take effect almost immediately upon adoption by the responsible Western powers, chiefly the UK and Western Germany.	Although the Bloc has rerouted much of its maritime trade to Polish and DDR Baltic ports, there remains considerable Bloc-bound barge traffic on the Elbe River originating in Hamburg. The European satellites seem to anticipate continued use of the Elbe River e.g., in view of the new Fereze-Niederneusendorf canal (nearing completion) which provides a by-pass around the waterways of the West Berlin sectors. The new links which have been projected or completed between the Elbe and Oder Rivers in DDR territory might anticipate an undiminished traffic volume on the Elbe with better waterborne distribution of goods throughout DDR territory or they might serve to reassure industrial and other users depending on the transport of goods on the upper Elbe River of an ultimate outlet to the Baltic in case of need. Recently DDR authorities have been investigating the possibility of night traffic on their waterways. The impact of Western security measures for Berlin will be modified in the transport field by such technical factors as.

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
C. <u>Inland Waterway, Rail and Highway Traffic</u> (Continued from sheet 17)			(Continued from sheet 17)
1. Closing of the lower Elbe River for use by vessels and barges trading with the Soviet Bloc (Continued from sheet 17)			the new Berlin Outer Rail Link (completed), and the Loewenbergerwalde Rail Link (construction reportedly begun), which make unnecessary the routing of Soviet rail traffic through West Berlin sectors. The same would be true for the inland canal system, except for the fact that with the mouth of the Elbe under Western control there is an opportunity to choke off part of this inland waterway traffic at the maritime port outlet. For wintertime operation of DDR waterways the shortage of ice breakers still presents a problem and the heavy reliance on artificial canal sections and complicated special installations, such as the Schiffshewerke (Ship-Lifts), make DDR inland waterway traffic particularly vulnerable to weather hazards.
2. Limitation of peripheral rail routings in Western Europe of Bloc-bound cargo movements	(a) To disrupt important satellite and Soviet efforts to procure strategic materials (b) To interdict the continued evasion of Western trade controls by devious international routings and changes of carrier	This measure can be used independently or in conjunction with the closure to the Soviet Bloc of Western European free-port facilities (see B. Ocean Shipping (9), above), and further Western restrictions of direct rail, road, and inland waterway traffic in transit (Continued on sheet 19)	This measure should apply particularly to the following rail and related inland-waterway routes: (1) from Hamburg, Rotterdam, Antwerp, and Le Havre, via Western Germany or Switzerland to Austria for ultimate (Continued on sheet 19)

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
C. <u>Inland Waterway, Rail and Highway Traffic</u> (Continued from sheet 18)		(Continued from Sheet 18)	(Continued from Sheet 18)
2. Limitation of peripheral rail routings in Western Europe of Bloc-bound cargo movements (Continued from sheet 18)		<p>between the Western zones and the Soviet Zone of Germany.</p> <p>The denial of Western European rail (and related inland-waterway) communications to the Bloc requires coordinated and concerted action to prevent satellite and Soviet interests from capitalizing on the traditional competition of North German and North Italian ports.</p> <p>This measure would be of great significance in a broad pattern of transport controls directed against the Bloc in Europe, which can be tightened successively as developments might require and cooperating nations might enforce additional regulations. Imposition of this rail measure requires considerable time for international negotiation, particularly since key states in this scheme are not PCs in COMCON or similar ready forums.</p>	<p>Bloc destinations; and (2) from Italian ports via Switzerland and Austria to ultimate Bloc destinations.</p> <p>Intelligence reports indicate the importance of this measure. During November 1951, for example, 1,200 Czech freight cars were awaiting redispach in the Rotterdam rail yards. Strategically important Bloc-bound cargoes continue to arrive on Rhine River barges in Basel for transloading to Bloc-bound freight cars. Reports also have been received that the Swiss Federal Railways are anxious to arrange with Italian forwarders for routing a greater volume of Bloc-bound cargoes from North Italian ports through Switzerland for transshipment to Austria and the satellites.</p>
3. Denial of Austrian POL supplies essential to the maintenance of the Soviet position in East Germany	<p>(a) To disrupt crude-oil shipments from Austria to DDR territory, chiefly for ultimate use of Soviet forces in Germany;</p> <p>(b) To deny an exportable surplus of refined products in the DDR to other European satellites</p>	<p>This measure is complementary to the denial of Soviet access to POL supplies brought into the Bloc by Polish-controlled tankers (see B. Ocean Shipping (3), above). Both measures for POL denial should be instituted simultaneously, although this rail measure</p> <p>(Continued on Sheet 20)</p>	<p>This measure would consist of the interdiction of tank-car movements from Zistersdorf, Austria, chiefly via the Czech crossing points of Bad Schandau and Bad Brambach, to the Soviet Zone of Germany. The principal</p> <p>(Continued on Sheet 20)</p>

I. Measure	II. Proposed Effect	III. Priority and Timing	IV. Preliminary Evaluation
C. <u>Inland Waterway, Rail and Highway Traffic</u> (Continued from Sheet 19)		(Continued from Sheet 19)	(Continued from Sheet 19)
3. Denial of Austrian POL supplies essential to the maintenance of the Soviet position in East Germany (Continued from Sheet 19)		is not subject to the delays incident to the imposition of shipping controls and could take effect almost immediately. Applicability and timing of this measure will depend chiefly upon the methods selected for execution (intimidation or fomenting of strikes in refinery and rail labor forces, sabotage of production or rail facilities, support of a possible seizure-action by the Austrian Government, creation of an incident nearer the production center which would require rerouting of supplies to another consumption theater, etc.).	burden of the traffic volume has in the past been shifted alternately among these crossing points in order to ease traffic density and related dispatch problems. A survey of intelligence reports of the past 8 months indicates that the movement of DDR-bound tank-cars from Zistersdorf has increased from a monthly average of 1000 cars in late 1951 to a monthly average of well above 2000 cars in the late spring of 1952. There is also sufficient intelligence on the movement of products from DDR refineries and processing plants to other satellites to develop a supplementary countermeasure for these secondary POL movements.

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Sheet 21

I. Measure

II. Proposed Effect

III. Priority and Timing

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D. Communications

1. (Temporary) Prevention of Soviet access to the Fernamt (Long-Distance Telephone Center), in the Winterfeldtstrasse, Berlin

Disruption of Berlin civilian long-distance traffic with DDR and other countries

This measure requires little advance preparation or procurement of new information. But the exact general form of action, timing, and details of execution must be determined by the military on the spot.

This measure would demonstrate that US is able to take in the American sector measures equal in importance to recent British action with respect to the Soviet-controlled Rundfunkhaus in the Masurenalle (British Sector, Charlottenburg). The psychological-warfare aspects include enhancement of US prestige in the American sector and abroad, and the loss of face of East-Berlin authorities and their Soviet protectors in the inconvenience of disrupted civilian DDR communications. The provocative impact of this action would depend on (1) timing and (2) status of UK or France and the Western countermeasures program as a whole.

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